

Investment Adviser Representative Continuing Education

Michigan expects to finalize adoption of investment adviser representative continuing education by promulgating proposed rule 451.4.29 in early 2022. However, in reliance on subrule 451.4.29(8), Michigan will not begin enforcement or otherwise require investment adviser representatives to complete continuing education until January 1, 2023. Further details will be available after rule 451.4.29 is formally adopted.

Proposed Rule

Investment Adviser Representative (“IAR”) Continuing Education (“CE”) - FAQs

Who must comply with the IAR CE requirements?

Every IAR registered in Michigan will be subject to CE requirements. The mandatory CE program will apply to all registered IARs of both state-registered and federal covered investment advisers.

In the event an IAR is registered in more than one state, the IAR must comply with the requirements of each state securities regulator, which may vary. However, the Rule provides that an IAR will be considered in compliance with the CE requirements so long as the IAR’s home state (i.e., where the IAR has its principal office and place of business) has adopted IAR CE requirements that are at least as stringent as Michigan’s IAR CE rule and the IAR is in compliance with its home state requirements.

When must IARs begin complying with the IAR CE Model Rule?

Michigan expects to finalize adoption of IAR CE by promulgating proposed rule 451.4.29 in early 2022. However, in reliance on subrule 451.4.29(8), Michigan will not begin enforcement or otherwise require investment adviser representatives to complete continuing education until January 1, 2023. This means that IARs registered in Michigan as of January 1, 2023 will have to comply with IAR CE requirements by December 31, 2023 or they will become “CE Inactive” after December 31, 2023, and would be ineligible to renew their IAR registration on January 1, 2025 if they fail to “catch up” with 2023 credits and complete 2024 credits by December 31, 2024. See [NASAA’s IAR CE FAQs](#) for additional details.

How many credits/hours are required?

Beginning in 2023, IARs will need to attain 12 CE credits each year to maintain their IAR registration. The 12 credits must include 6 credits of Products and Practices and 6 credits of Ethics and Professional Responsibility. Generally speaking, an IAR cannot receive credit more than once for the same course and must take care to avoid duplicate courses in subsequent years.

For dual registrations, can the CE required by FINRA for BD agents meet any of the CE requirements for IARs?

An IAR who is also a registration Broker Dealer (BD) agent and who complies with FINRA's CE requirements is considered to be in compliance with the requirement to report six credits of Products and Practices content, so long as the FINRA CE content continues to meet certain baseline criteria as determined by NASAA.

What happens if an IAR does not complete the CE requirements in a timely manner?

If an IAR does not complete the CE requirement by the annual deadline, the IAR will pay the registration renewal fee and CRD will set his or her IAR CE status to "CE Inactive." Which will then appear in the Investment Adviser Public Disclosure (IAPD) and in BrokerCheck. The IAR can continue to do business. CE Inactive is notice to the IAR that if CE is not completed by the end of the year, the IAR will be unable to renew his or her registration.

Stay tuned for more information.